



Ninety-Eighth Legislature - First Session - 2003
Committee Statement
LB 770

Hearing Date: February 13, 2003

Committee On: Government, Military and Veterans Affairs

Introducer(s): (Legislative Program Evaluation Committee)

Title: Change provisions for public contracts for personal services

Roll Call Vote – Final Committee Action:

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

7	Yes	Senators Aguilar, Brown, Burling, Combs, Schimek, Smith, Vrtiska
0	No	
0	Present, not voting	
1	Absent	Senator McDonald

Proponents:

Senator Chris Beutler
Martha Carter
Don Zavodny
Robert Sterken

Representing:

Legislative Program Evaluation Committee
Legislative Program Evaluation Unit
NAPE/AFSCME
NAPE/AFSCME

Opponents:

Representing:

Neutral:

Laura Peterson

Representing:

Department of Administrative Services

Summary of purpose and/or changes:

LB 770 would require contracts for personal services to be processed in a similar manner as contracts for goods. Currently, DAS Materiel division reviews and approves contracts for goods. Under LB 770, a similar procedure would be used for personal service contracts.

Personal services is defined to include the furnishing of labor, time or effort by a contractor.

If the proposed contract has a value of less than \$25,000 for the contract period, materiel division will allow purchase of personal services without competitive bidding. The contract period is defined as 36 months.

If the proposed contract has a value of more than \$25,000 but the materiel division determined the contract is exempt, competitive bidding is not necessary. Reasons for exemption include emergency, single source or federal exemption.

Materiel will establish procedures for agencies to use in awarding personal services contracts under \$25,000 and establish rules and regulations regarding the documentation agencies should develop for the awarding of contracts. Materiel will annually review a sample of personal services valued at \$25,000 or less.

An agency may let the contract by competitive bid at the agency director's discretion if the contract is under \$25,000. If the agency director chooses to competitively bid the contract, it will follow the procedures established by the materiel division.

For all personal service contracts, materiel will review proposed changes to personal services contract terms. If the change is significant, the agency may be required to submit a new personal services contract requisition.

If the agency determined the contract is more than \$25,000, the agency will present to the materiel division a requisition for personal services to be purchased. The requisition will include the proposed contract, the results of the proof-of-need analysis and other information. The proof-of-need analysis is to document the agency's need. The bill outlines the requirements the agency must provide.

Within 30 days, the materiel division will evaluate whether the personal service contract is necessary and notify the agency. If it is necessary, the materiel division will assess whether it qualifies for an exemption. If it does not qualify, the materiel division will conduct a competitive bidding process.

All agencies will:

- Promptly pay for contractual services
- Provide notice of contingent fee contracts
- Process and document personal services contracts through NIS (the state accounting system.)
- Develop written policies regarding contract awarding, compliance monitoring and payment tracking for personal service contracts
- Follow the materiel divisions policies for personal service contracts
- Notify the materiel division of proposed changes to the terms of existing personal service contracts.

All personal service contracts will contain the total dollar amount to be paid under the contract and the beginning and ending dates.

Several sections are outright repealed including the sections on public lettings (73-101), resident bidder (73-101.01, 73-101.02) and the sections dealing with contracts for personal services (73-301-73-307).

Explanation of amendments, if any:

Senator DiAnna R. Schimek, Chairperson